GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:5684
ANSWERED ON:03.05.2005
CONVERSION OF COMMERCIAL PROPERTIES INTO FREEHOLD
Mahato Shri Bir Sing;Yadav Shri Giridhari

Will the Minister of URBAN DEVELOPMENT be pleased to state:

(a) whether the Government has decided any policy for converting commercial properties from leasehold to freehold;

(b) if so, the details thereof;

(c) the amount to be charged in different zones of Delhi for allowing such conversion;

(d) whether this policy is applicable even in case of DDA shops with restricted use;

(e) if so, whether allottees of DDA shops with restricted use are required to pay both on account of conversion from leasehold to freehold and also for change of use from restricted to general in order to enable them to use their shops for any legal purpose of their choice; and

(f) if so, the details thereof?

Answer

MINISTER OF PARLIAMENTARY AFFAIRS AND URBAN DEVELOPMENT (SHRI GHULAM NABI AZAD)

(a): Yes, Sir.

(b): Conversion of leasehold land tenure in Delhi into freehold which was applicable to residential properties only was extended to industrial, commercial and mixed land use properties vide order dated 24.6.2003. As per the scheme, lessees would have the option to convert their leasehold property into freehold provided their buildings are complete and have also made up to date payment of all dues including the ground rent, misuse charges/damages charges etc. if any. Conversion fee to be charged for industrial, commercial and mixed land use properties will be 10% of the total land value calculated on the basis of notified land rates prevailing on the date of submission of the application. The land rates are notified periodically with the approval of the Competent Authority. For the recorded lessee, 40% remission in the conversion fee will be admissible. The General Power of Attorney holders will not be entitled to any remission and instead shall pay a surcharge of 33.33% in addition to normal conversion charges.

(c): The amounts to be charged in different zones in Delhi for allowing such conversion are given in Annexure-I.

(d): Yes, Sir.

(e)&(f): Yes, Sir. Conversion from restricted use to general use and leasehold into freehold are two independent issues. Change of use of DDA shops from `Restricted` to `General` is permitted on payment of Rs.5000/- per sq.meter on built up shops.

ANNEXURE-I

ANNEXURE REFERRED TO IN REPLY TO PART (c) OF LOK SABHA UNSTARRED QUESTION NO. 5684 FOR 3.5.2005

The rates for charging conversion charges for commercial properties of DDA zone-wise are as under:-

	Zone	Land Rates for charging conversion fee per sq. mtrs.
1.	Central & South Zone	Rs.36,000/-
2.	West,North and East Zone	Rs.25,000/-
3.	Dwarka	Rs.36,000/-

4.	Rohini	Rs.20,000/-
5.	Narela	Rs.10,000/-

The rates for charging conversion fee for commercial properties under L&DO Zone-wise are as under:-

Zone	Land Rates for Charging conversion per sq.mtr.
1. Central Zone (Connaught Place,Minto Road,Krishna Market, Jhandewalan etc.)	Rs.57,960/-
2. South Zone (Khan Market, Lajpat Nagar,Kalkaji, R.K. Puram, M.B. Road etc.)	Rs.17,480/- to Rs.28,980/-
3. West Zone (Gaffar Market, Rani Jhansi Market, D.B. Gupta Market, Kirti Nagar Industrial Area (Etc.)	Rs.14,490/- to Rs.24,150/-
4. North Zone (Kamla Nagar, Lajpat Rai Market, Vijay Nagar, Gole Market etc.)	Rs.12,190/- to Rs,14,490/-
5. East Zone (Jheel Kurenja, Geeta Colony, Narela etc.)	Rs. 4,140/- to Rs. 5,865/-